

# FUND STATEMENT

**Fund Type G10, Special Revenue Funds**

**Fund 112, Energy/Resource  
Recovery Facility (E/RRF)**

|   | FY 2001<br>Actual   | FY 2002<br>Adopted<br>Budget Plan | FY 2002<br>Revised<br>Budget Plan | FY 2002<br>Third Quarter<br>Estimate | Increase<br>(Decrease)<br>(Col. 5-4) |
|---|---------------------|-----------------------------------|-----------------------------------|--------------------------------------|--------------------------------------|
| <b>Beginning Balance</b>                          | <b>\$17,041,404</b> | <b>\$11,597,021</b>               | <b>\$12,993,592</b>               | <b>\$12,993,592</b>                  | <b>\$0</b>                           |
| Revenue:  |                     |                                   |                                   |                                      |                                      |
| Disposal Revenue:                                 |                     |                                   |                                   |                                      |                                      |
| County of Fairfax                                 | \$19,890,390        | \$20,720,000                      | \$20,720,000                      | \$20,720,000                         | \$0                                  |
| District of Columbia                              | 5,444,614           | 4,585,000                         | 4,585,000                         | 4,585,000                            | 0                                    |
| Waste Exchange Agreement                          | 834,600             | 840,000                           | 840,000                           | 840,000                              | 0                                    |
| Wastewater Services                               | 806,124             | 105,600                           | 105,600                           | 105,600                              | 0                                    |
| Other Jurisdictions                               | 366,100             | 504,000                           | 504,000                           | 504,000                              | 0                                    |
| Tire Program                                      | 688,415             | 997,500                           | 997,500                           | 997,500                              | 0                                    |
| Supplemental/Spot Market<br>Programs <sup>1</sup> | 1,438,920           | 2,305,000                         | 2,305,000                         | 2,305,000                            | 0                                    |
| Subtotal Revenue                                  | \$29,469,163        | \$30,057,100                      | \$30,057,100                      | \$30,057,100                         | \$0                                  |
| Other Revenue:                                    |                     |                                   |                                   |                                      |                                      |
| Interest on Investments                           | \$599,167           | \$564,369                         | \$564,369                         | \$564,369                            | \$0                                  |
| Miscellaneous <sup>2</sup>                        | 986,883             | 215,000                           | 215,000                           | 215,000                              | 0                                    |
| Subtotal Other Revenue                            | \$1,586,050         | \$779,369                         | \$779,369                         | \$779,369                            | \$0                                  |
| Total Revenue                                     | \$31,055,213        | \$30,836,469                      | \$30,836,469                      | \$30,836,469                         | \$0                                  |
| <b>Total Available</b>                            | <b>\$48,096,617</b> | <b>\$42,433,490</b>               | <b>\$43,830,061</b>               | <b>\$43,830,061</b>                  | <b>\$0</b>                           |
| Expenditures:                                     |                     |                                   |                                   |                                      |                                      |
| Personnel Services                                | \$356,034           | \$463,610                         | \$463,610                         | \$463,610                            | \$0                                  |
| Operating Expenses <sup>3</sup>                   | 29,282,317          | 33,406,171                        | 33,406,171                        | 33,406,171                           | 0                                    |
| Capital Equipment                                 | 4,299               | 26,000                            | 26,000                            | 26,000                               | 0                                    |
| Total Expenditures                                | \$29,642,650        | \$33,895,781                      | \$33,895,781                      | \$33,895,781                         | \$0                                  |
| Transfers Out:                                    |                     |                                   |                                   |                                      |                                      |
| Refuse Disposal (Fund110) <sup>4</sup>            | \$5,460,375         | \$0                               | \$0                               | \$0                                  | \$0                                  |
| Total Transfers Out:                              | \$5,460,375         | \$0                               | \$0                               | \$0                                  | \$0                                  |
| <b>Total Disbursements</b>                        | <b>\$35,103,025</b> | <b>\$33,895,781</b>               | <b>\$33,895,781</b>               | <b>\$33,895,781</b>                  | <b>\$0</b>                           |
| <b>Ending Balance</b>                             | <b>\$12,993,592</b> | <b>\$8,537,709</b>                | <b>\$9,934,280</b>                | <b>\$9,934,280</b>                   | <b>\$0</b>                           |
| Tipping Fee Reserve <sup>5</sup>                  | \$1,888,767         | \$1,936,801                       | \$1,936,801                       | \$1,936,801                          | \$0                                  |
| Rate Stabilization Reserve <sup>6</sup>           | 6,600,908           | 6,600,908                         | 6,600,908                         | 6,600,908                            | 0                                    |
| <b>Unreserved Ending Balance</b>                  | <b>\$4,503,917</b>  | <b>\$0</b>                        | <b>\$1,396,571</b>                | <b>\$1,396,571</b>                   | <b>\$0</b>                           |
| Disposal Rate/Ton                                 | \$28/Ton            | \$28/Ton                          | \$28/Ton                          | \$28/ton                             |                                      |

<sup>1</sup> Disposal revenue shown from Supplemental Waste and Spot Market Program operations reflects only that refuse tonnage for which the tipping fee/per ton disposal rate is charged. Additional income derived from charges in excess of the tipping fee for these operations is reflected as miscellaneous revenue.

<sup>2</sup> Miscellaneous revenue includes income received in excess of the tipping fee which is derived from the Spot Market and Supplemental Waste Programs.

<sup>3</sup> In order to account for revenues and expenditures in the proper fiscal year, an audit adjustment in the amount of \$1,518,590 has been reflected as a decrease to the FY 2001 expenditures. The audit adjustment has been included in the FY 2001 Comprehensive Annual Financial Report (CAFR). Details of the FY 2001 audit adjustments will be included in the FY 2002 Third Quarter Package.

<sup>4</sup> In FY 2001, an amount of \$5,460,375 was transferred to Fund 110, Refuse Disposal to offset FY 2001 expenditure requirements. The transfer amount is comprised of \$4,201,554 from the available Rate Stabilization Reserve and \$1,258,821 in unreserved balance. The funding provided a subsidy to allow the County to continue to provide the level of service to specific refuse disposal programs that do not fully recover costs. Subsidized programs include the County's Recycling Program, the Household Hazardous Waste Program, and the Code Enforcement Program. Fund 110's current fee structure did not support these expenses in FY 2001. The Rate Stabilization Reserve was established to address revenue shortfalls and contingency requirements of funds that make up the disposal operations under the Division of Solid Waste Refuse Disposal and Resource Recovery. A balance of \$9,127,477 remains in this reserve.

<sup>5</sup> The Tipping Fee Reserve was established to provide for adjustments associated with additional funding requirements to Covanta Fairfax as a result of a year-end shortfall or audit reconciliation.

<sup>6</sup> On November 4, 1998, earlier bonds sold to finance the E/RRF were retired and refinanced at lower interest rates. The new bonds were refinanced at a rate between 5.5 to 6.1 percent compared to the older rate of 7.75 percent. Excess proceeds from the original bond issue totaling \$10.8 million, were released to the Solid Waste Authority (SWA). At its annual meeting held January 25, 1999, the SWA approved the transfer of these monies from a separate Solid Waste Authority account to Fund 112. As part of their discussions, the Solid Waste Authority directed that the funds be moved to, and reside in a "Rate Stabilization Reserve" in Fund 112 where the funds were to be used to offset operating shortfalls in any of the funds that comprise the Division of Solid Waste Refuse Disposal and Resource Recovery.